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Producers 88 (4-89) — Paid-Up With 640 Acres Pooling Provision

deemed correct, whether actually more or less.

## PAID-UP OIL AND GAS LEASE (No Surface Use)

THIS LEASE AGREEMENT is made this 20 day of May 2008 by and between Kaymon LOWS ITAMPIS
THIS LEASE AGREEMENT is made this 20 day of May 3008 by and between Raymon Lowis Harris  Whose address is 1009 Tuskegee St. Francis Trainie Tr. 2505 Lissor and
CHESAPEAKE EXPLORATION, L.L.C., an Oklahoma limited liability company, P.O. Box 18496, Oklahoma City, Oklahoma 73154-0496, as Lessee. All printed portions of this lease were
prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank spaces) were prepared jointly by the party hereinabove named as Lessee, but all
other provisions (including the completion of blank spaces) were prepared jointly by the Lessor and Lessee.
I. In consideration of a cash bonus in hand paid and the covenants berein contained, Lessor hereby grants, lesses and lets exclusively to Lessee the following described land, hereinafter called
leased memices:
RK E Dark
. 20920700 acres of land, more or less, being Lot 3 out of the Estates, an addition to the city of Grand Prairie,
detection and the state of the
lexas, being more particularly described by metes and bounds in that certain specific full resorted recorded
Texas, being more particularly described by metes and bounds in that certain Special Warranty Deed recorded in 6.30.1964 Volume 4232, Page 627, of the Deed Records, of Tarrant County, Texas; Vendor
in the County of Jappant, State of TEXAS, containing 20920 Gress, more or less (including any interests therein which Lessor may hereafter acquire by reversion,
prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in
association therewith (including geophysical/seismic operations). The term "gas" as used herein includes helium, carbon dioxide and other commercial gases, as well as hydrocarbon gases. In
addition to the above-described leased premises, this lease also covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to
the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a
more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalties hereunder, the number of gross acres above specified shall be

- 2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of five (5) years from the date hereof, and for as long thereafter as oil or gas or other substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions
- substances covered hereby are produced in paying quantities from the leased premises or irom isnot pooled therewing or this sease is otherwise maintained in the city production of its paying quantities from the leased production, to be delivered at Lessee's of clience; and only the same field, then in the nearest field in which there is such a prevailing in the same field, then in the nearest field in which there is such a prevailing price of production of similar grade and gravity; (b) for gas (including casinghed gas) and all other substances covered hereby, the royalty shall be twenty percent (20)% of the proceeds realized by Lessee from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise states and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances covered hereby, the royalty shall be twenty percent (20)% of the proceeds realized by Lessee in from the sale thereof, less a proportionate part of ad valorem taxes and production, severance, or other excise states and the costs incurred by Lessee in delivering, processing or otherwise marketing such gas or other substances covered beneby, the royalty shall be twenty percent (20)% of the proceeds realized by Lessee, on the which Lessee shall pay in paying quantities of the promate state of the one of the production of similar quality in the same field (or if there is no such price then prevailing in the same field, then in the nearest field in which there is such a prevailing price pursuant to comparable purchase contracts entered into on the lessee of the date on which Lessee or other substances covered beneby in paying quantities or such was a substance to the production in the realized hereof.

  3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lessee to Lessor as follows: (a) For oil and other liquid hydrocar.

  (2006) of such manduction to be delivered at I casee's option to I essor at the wellhead or to Lessor's credit at I

- develop the leased premises as to formations their capable of producing in paying quantities on the leased premises or lands polocid therewith, Toes shall be no coverand drainage by any well or walls located on other lands not pooled therewith. There shall be no coverand of this polynomial or the production when the repair but not the obligation to pool all or any part of the leased premises or interest therein with any other lands or interests, as to any or all elephs or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Leaseed dems it necessary or proper to do so in order to pradently develop or operate the leased premises, whether or not stimular pooling authority exists with respect to such doher lands or interests. The unit formed by such pooling for mo nil well which is not a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or a horizontal completion shall not exceed 80 acres plus a maximum acreage tolerance of 10%, and for a gas well or shall be not control to any well spacing or density pattern that may be presented or a premised by any governmental authority, having jurisdiction to do so. For the purpose of the foregoing, the terms "oil well" and "gas well" shall have the meanings presented by applicable law or the appropriate governmental authority, in fine definition is so presented, of which we have a sent with an initial gas-oil ratio of 180,000 cubic feet or more per barrel, based on 24-hour production test conducted under normal producing conditions using standard lease separator facilities or equivalent testing ecuipment; and the term "horizontal completion" means a well in which the horizontal compense of the gross completion interval in the reservoir exceeds the vertical component thereof. In exercising its pooling rights hereunder, Lessee shall list extent any portion of the lessed premises as fill to the production, whilling or reworking operations as mywhere
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- 10. In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted herein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial release or other partial termination of this lease; and (b) to any other lands in which Lessor now or hereafter has authority to grant such rights in the vicinity of the leased premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or such other lands, and to commercial timber and growing crops stereon. Lessee shall hay for damage caused by its operations to buildings and other improvements now on the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

  11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having printiletion including restri
- delay, and at Lessee's option, the period of such prevention or delay shall be added to the term hereof. Lessee shall not be liable for breach of any express or implied covenants of this lease when drilling, production or other operations are so prevented, delayed or interrupted.

  12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.

  13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so.

  14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and
- 14. For the same consideration recited above, Lessor hereby grants, assigns and conveys unto Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.
- 15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shut-in royalties otherwise payable to Lessor hereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shut-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

  16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations.

  17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees,

executors, administrators, successors and assigns, whether or not this is	ease has been executed by all parties hereinabove h	amed as Lessor.	
LESSOR (WHETHER ONE OR MORE)	in Dr	Lathy Harris	)
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STATE OF TEXAS  COUNTY OF	e O day of O O Notary Public,	Raymon Louis Hor State of Toxas	ris.
My Commission Expires December 21, 2011	Notary's name Notary's comm	(printed) vission expires:	
المنظمة المنظم	ACKNOWLEDGMENT		
STATE OF TEXAS TarranZ  COUNTY OF	e 20 day of June 200	Raymon Louis F Dorothy Hannis Jane Koch	derris
JOYCE KAHLE Notary Public, State of Texas My Commission Expires December 21, 2011		State of Texas (printed):  ission expires:  Record & Return to	
STATE OF TEXAS COUNTY OF This instrument was acknowledged before me on the	e day of corporation, on behalf of said corporat	Chesapeake Operat P.O. Box 18496 20 Oblahoma City, Ob	ing, Inc.
	Notary Public, Notary's name	State of Texas	_
STATE OF TEXAS	RECORDING INFORMATION		
County of			
This instrument was filed for record on the M., and duly recorded in	day of	, 20, at	o'clock
Book, Page, of the	records of this office.		
	Rv		

Clerk (or Deputy)